

City of Muskegon

STATEMENT OF LEGAL DEBT MARGIN (a)

December 31, 2003

State Equalized Valuation (SEV): \$ 763,778,812 (b)

Legal Debt Margin				
	Actual Net Debt	Maximum Percent of SEV	Debt Limit Amount	Legal Debt Margin
Outstanding Debt Subject to Limitation	<u>\$ 9,726,900</u>	<u>10.000%</u>	<u>\$ 76,377,881</u>	<u>\$ 66,650,981</u>
Outstanding Debt Not Subject to Limitation:				
Special Assessment Debt	3,035,000			
Revenue Bonds	10,345,000			
Michigan Transportation Fund Bonds	2,785,000			
Debt Issued for Pollution Abatement	5,886,923			
	<u>22,051,923</u>			
TOTAL INDEBTEDNESS	<u><u>\$ 31,778,823</u></u>			

(a) Act 279, Public Acts of Michigan, 1909, as amended, and the City Charter of the City provide that the net indebtedness of the City shall not exceed 10% of all assessed real and personal property in the City. Bonds which are not included in the computation of legal debt margin, according to Act 279, are:

- Special Assessment Bonds;
- Mortgage Bonds;
- Michigan Transportation Fund Bonds;
- Revenue Bonds;
- Bonds issued, or contracts or assessment obligations, incurred, to comply with an order of the Water Resources Commission or a court of competent jurisdiction;
- Bonds issued to acquire housing for which rent subsidies will be received under a contract with the United States Government;
- Obligations entered into under an intergovernmental self insurance contract or issued to pay premiums or to establish funds to self insure for losses;
- Bonds issued or assessments or contract obligations incurred for the construction, improvement, or replacement of a combined sewer overflow abatement facility;
- Other obligations incurred for water supply, sewage, drainage or other refuse, disposal projects necessary to protect the public health by abating pollution; and,
- Resources of a sinking fund pledged for the retirement of any outstanding bonds

(b) State Equalized Valuation (SEV) does not include assessments under the Industrial Facilities Tax (IFT), Commercial Facilities Tax (CFT), Neighborhood Enterprise Zone (NEZ), Commercial Enterprise Zone (CEZ), or Renaissance Zone (REZ) exemption programs which for 2003 amounted to \$75,262,800. The City's total 2003 assessed valuation (including IFT/CFT/NEZ/CEZ/REZ) was \$839,041,112.

SOURCE: Muskegon County Equalization Department and Finance Department